



SUPPLEMENTAL

COUNCIL AGENDA: 05-24-05

ITEM: 6.2(c)

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: William F. Sherry, A.A.E.
James R. Helmer

SUBJECT: See Below

DATE: May 18, 2005

Approved

Date

5/19/05

SUPPLEMENTAL

SUBJECT: APPROVAL OF AWARD AND RELATED ACTIONS FOR ON-DEMAND DISPATCH SERVICES AT MINETA SAN JOSE INTERNATIONAL AIRPORT

REASON FOR SUPPLEMENTAL

To provide a summary of the informational meetings held regarding the On-Demand Dispatch Services RFP.

BACKGROUND

Airport staff conducted a series of informational meetings regarding the On-Demand Dispatch Services RFP and the staff recommendation that will be considered by City Council at the May 24, 2005 City Council meeting. This supplemental memo contains a summary of the meetings and the comments made by the attendees.

Between May 3rd and 7th, seven meetings were held to provide information to drivers and owners of the taxicab and door-to-door shuttle industries that will be included in the new dispatch services at the Airport. The Taxi Advisory Team provided the potential meeting times that would result in the best attendance, and staff set meetings to that schedule, including morning, afternoon and Saturday sessions. Staff ensured that all taxicab and door-to-door companies were notified and that flyers were posted at the loading and staging areas at the Airport. Notices were sent to all of the Taxi Advisory Team members and were distributed at the May 2 Airport Commission meeting. Staff confirmed throughout the week of the meetings that drivers of both industries were aware of the meetings and United Cab, Yellow Cab and the UFCW confirmed that they were ensuring their drivers were aware of the meetings.

Unfortunately, the meetings were not well attended. As shown in the attachment, only 30 individual taxicab drivers, 6 taxi company owner representatives (representing 4 companies) and 11 door-to-door company owners attended. A total of 50 individuals, including representatives of the two finalists, Taxi San Jose, Inc. and ShuttlePort California LLC, attended at least one of the meetings which lasted from 45 minutes to over 2 hours in length, depending on the attendance and the number of questions asked.

The questions that were raised were not always directly related to the Dispatch Services RFP, but were generally related to the new taxicab service model and its implementation, of which the

Dispatch Services agreement is one part. The questions and comments most frequently brought up included:

Concerns about the monthly fees

- Why do they have to pay monthly, even if they aren't working the full month?
 - Their Permit is valid and usable all twelve months and is due and payable, similar to rent for a home, regardless of the use.
- What happens if they leave one company and go to another company mid-month?
 - Permit fees are due monthly, in advance, and billed through their affiliated company. Billing can be changed for the next month and companies can work between themselves to address mid-month fee adjustments.
- What is the administrative fee for?
 - The fee is a maximum of \$25 per month that will assist in cost recovery of the additional work load due to the 400 additional permits and up to 58 contracts that will be required for the program, including the billing and administrative oversight necessary. At the proposed rates the expected fees would amount to \$102,600 for the first year, which is virtually equivalent to one full-time analyst position.
- Fees should be charged to pre-arranged pick-ups to cover their use of the dispatch services.
 - Airport staff is reviewing this option. There were less than 3,000 pre-arranged trips compared to over 368,000 on-demand taxi trips in 2004 so any extra amount charged would be small compared to the total cost of the dispatch services.

The number of hours required to work as a driver on their Airport days

- Taxi drivers would like the ability to sub-lease their permits/vehicles so they could better meet the 24-hour needs of the Airport.
 - This option is being reviewed with the SJPD and the City Attorney's Office. Airport staff concerns are related to the training and awareness of any secondary drivers to the rules, regulations and requirements of the Airport Permits.

Use of Alternative Fuel vehicles

- Taxi drivers are concerned about the ability of drivers with alternative fuel vehicles to work every day, rather than alternative days. They feel that if too many drivers obtain CNG vehicles and start working every day, there will not be enough trips for everyone.
 - The incentive was developed to assist the Airport in attaining lower emissions and to address mitigation measures from the California Air Resources Board related to the Master Plan's Environmental Impact Report.
 - There is not a high availability of alternative fuel vehicles for the taxicab industry as a major manufacturer has discontinued production of the larger vehicles most common to the taxi fleets. It is not expected that a large number of permit holders will be willing or financially able to purchase the vehicles due to size of vehicle and cost considerations.

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- In the unlikely event that a large majority of the permit holders obtain alternative fueled vehicles, the incentive would be addressed and/or the number of permits would be reduced to limit the number of permit holders working on any given day. There is a methodology in place to allow for the addition or reduction of the number of permits through petition to the Department of Transportation.
- Some of the drivers felt that companies with CNG vehicles should pay more for their permits than the drivers.
 - All of the permits should be equally priced for consistency and the equal availability to Airport business.
 - This would be considered a disincentive to increase the use of alternative fuel vehicles.

Door-to-Door shuttle industry concerns revolved around dispatching issues and ensuring only companies properly authorized by the PUC are allowed to take passengers. Additionally, they wanted to ensure the ability to share rides to similar areas from both terminals.

- The shuttle industry will have the ability to discuss specific industry dispatching needs with the dispatch service operator and the Airport to ensure effective dispatching and the best customer service.
- The dispatch service will be required to ensure that passengers use only fully authorized shuttle companies and will verify the authority of each company to operate in the area to which the customer is traveling.

As was disclosed in the City Council memo, the representatives from Yellow Cab, United Cab and the Door-to-Door shuttle companies expressed their concern with the Taxi San Jose recommendation and expressed their support for ShuttlePort. Airport staff explained that the intent of the meetings was to inform the industries of the staff recommendation. It is expected that several representatives of the industries will be present at the May 24th City Council meeting to express their opinions.



WILLIAM F. SHERRY, A.A.E.
Director of Aviation



JAMES R. HELMER

Director of Transportation

Dispatch Services Information Meetings May 3-7, 2005 Attendance

5/3 11:00	5/3 3:30	5/4 11:00	5/4 3:30	5/5 2:00	5/7 11:00	5/7 3:30	Total Attend.	Total Indiv. *
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Taxi Drivers

United	2	1			2	3	8	8
Yellow			7	2	10	5	24	21
Other						1	1	1

Taxi Company

National			1		1		2	1
Rainbow			1				1	1
United	2	1	2	2	3	2	14	3
Yellow		1					1	1

Door-to-Door

All companies			1		11		12	11
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Other

ShuttlePort					1		1	1
UFCW	2						2	2
Totals	6	3	12	4	14	16	66	50

City Staff

Airport	2	4	3	2	4	2	3	20	5
SJPD						1		1	1

* 'Total Indiv.' column indicates the number of separate individuals attending the meetings, as several people attended multiple meetings